

Car Corp



Annual Report

* APRIL 30th, 1969

HIGHLIGHTS

	1969	1968	% Increase
Total revenue	\$ 8,478,000	\$ 4,732,000	79.1
Net income	538,000	136,000	295.6
Per share	2.41½	.61	295.6
Dividends paid	111,454	78,018	44.3
Per share	.50	.35	42.9
Total assets	6,494,000	3,283,000	101.2
Capital expenditures	2,049,000	243,000	743.2
Shareholders' equity	1,966,000	1,540,000	27.7

NABORS DRILLING LIMITED



DIRECTORS

CLAIR A. NABORS, *Calgary, Alberta*
DONALD J. McDONALD, *Toronto, Ontario*
J. GRANT SPRATT, *Calgary, Alberta*

OFFICERS

CLAIR A. NABORS, *President*
DONALD J. McDONALD, *Vice-President*
ALAN G. HOLLEY, *Vice-President*
JOSEPH E. CLARK, *Vice-President*
DAVID W. WRIGHT, *Secretary-Treasurer*

DIRECTORS AND OFFICERS OF WHOLLY-OWNED SUBSIDIARY, NABORS ALASKA DRILLING, INC.

CLAIR A. NABORS, *Director and President*
ALAN G. HOLLEY, *Director and Vice-President*
JOSEPH E. CLARK, *Vice-President*
JAMES C. TAYLOR, *Vice-President*
DAVID W. WRIGHT, *Director and Secretary-Treasurer*

HEAD OFFICE

440 BENTALL BUILDING, *Calgary, Alberta*

FIELD OFFICE

R.R. 1, *South Edmonton, Alberta*

TRANSFER AGENT AND REGISTRAR

MONTREAL TRUST COMPANY
Calgary and Toronto

AUDITORS

CLARKSON, GORDON & CO.



REPORT TO THE SHAREHOLDERS

The fiscal year ended April 30, 1969 was the most eventful and rewarding year for the Company since its inception in 1952. The Company's Canadian and Alaskan operations produced a gross income of \$8,477,712, the highest in the history of the Company. The profits earned also reached an all-time high, amounting to \$538,262 after providing for depreciation and depletion in the amount of \$485,825, and taxes on income in the amount of \$523,064.

The employees, the management, and the directors of the Company, are extremely proud to have participated in the discovery of oil and gas on the North Slope of Alaska, having drilled the second discovery well at Prudhoe Bay. We now look forward to providing drilling and other related services for further exploration and development on the North Slope of Alaska.

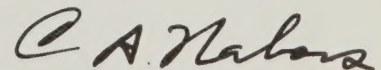
Since 1956, when the Company commenced its first Arctic operation on the Peel Plateau in the Northern Yukon, it has been the policy of the Company to specialize in offering drilling services for remote and difficult areas, and particularly in the far North. The experience and knowledge gained through the years in the Yukon, the Northwest Territories, the Arctic Islands, and particularly, the last six years on Alaska's North Slope, will enable us to offer and provide the most efficient and economical drilling service to the oil and gas companies as they continue to explore and develop Canada and Alaska's northern areas.

It has been necessary, in order to offer the best in drilling services, to acquire a considerable amount of additional equipment during the past year. We purchased a total of \$2,049,083 in additional rig, truck, tractor and other equipment.

There continues to be an over-supply of rigs for the work required in Canada, and it is to be expected that the drilling-contracting industry will continue to be highly competitive in the future as it has always been in the past. However, we believe that this Company is better equipped from the standpoint of capable people and first-class equipment, to enjoy an excellent future. We plan to continue our policies of offering our customers the most efficient and economical drilling service wherever and under whatever conditions may be encountered in Canada and Alaska.

The directors and management of the Company are grateful for the sincere interest and diligence on the part of all of the men and women employees of the Company.

We wish to express our appreciation to our customers for their confidence and support and to our shareholders for their loyal support.

A handwritten signature in dark ink, appearing to read "C. A. Nelson". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

President

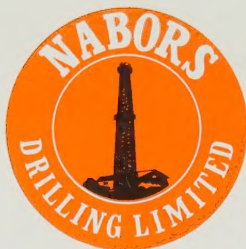


*Drilling for oil calls for tough men,
and tougher machinery, backed up
by dependable transportation.*

*Rigs in remote and desolate areas
experience almost unbelievable
variations in climatic conditions,
necessitate the use of every
conceivable mode of transportation,
and above all must obtain a high
calibre of dedicated men in order to
keep working . . . to a schedule . . .
in less than ideal conditions.*

*We are fortunate to be able to
attract this kind of individual to
our industry.*





NABORS DRILLING LIMITED

ASSETS

CURRENT:

	1969	1968
Cash	\$ 379,164	\$ 30,931
Accounts receivable	2,749,670	1,522,680
Uncompleted contracts at cost less advances	222,670	142,949
Inventory of drilling supplies at lower of cost or estimated realizable value	47,289	48,704
Prepaid expense	21,531	41,496
	<u>3,420,324</u>	<u>1,786,760</u>

INVESTMENT — AT COST:

Shares in and advances to Western Rock Bit Company Limited	<u>33,200</u>	<u>26,800</u>
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FIXED — AT COST:

Drilling rigs, building, oil properties, transportation and other equipment	9,219,413	7,225,264
Less —		
Accumulated depreciation	(6,182,116)	(5,760,330)
Accumulated depletion	(59,917)	(50,812)
	<u>6,242,033</u>	<u>5,811,142</u>
	<u>2,977,380</u>	<u>1,414,122</u>

OTHER:

Cash surrender value of life insurance	<u>62,892</u>	<u>55,556</u>
	<u>\$6,493,796</u>	<u>\$3,283,238</u>

(See accor

To the Shareholders of
Nabors Drilling Limited.

We have examined the consolidated balance sheet of Nabors Drilling Limited and its subs
source and application of funds for the year then ended. Our examination included a general
as we considered necessary in the circumstances.

In our opinion, the consolidated statements mentioned above present fairly the financial
tions and source and application of their funds for the year then ended, in accordance with

Calgary, Alberta.

July 21, 1969.

AUDITO

and its Subsidiary

CONSOLIDATED BALANCE SHEET — APRIL 30, 1969 AND 1968

LIABILITIES

CURRENT:

	1969	1968
Bank overdraft and loans (Note 2)	\$ 779,274	\$ 393,013
Accounts payable	2,022,783	910,363
Accrued wages and holiday pay	285,550	66,298
Dividend payable May 1	66,872	44,581
Income and other taxes payable	299,848	89,322

3,454,327

1,503,577

DEFERRED INCOME TAXES

549,000

240,000

9% BANK LOAN — repayable in monthly instalments to April, 1971 (Note 2)

1,048,000

Less instalments due within one year included in current liabilities

524,000

524,000

SHAREHOLDERS' EQUITY:

Capital —

Authorized — 500,000 shares without nominal or par value

Issued — 222,908 shares

1,003,087

1,003,087

Earned surplus (Statement 2)

963,382

536,574

1,966,469

1,539,661

On behalf of the Board:

C. A. NABORS, Director.

J. G. SPRATT, Director.

\$ 6,493,796

\$ 3,283,238

ing notes)

REPORT

as at April 30, 1969 and the consolidated statements of profit and loss and earned surplus and new of the accounting procedures and such tests of accounting records and other supporting evidence

ion of Nabors Drilling Limited and its subsidiary at April 30, 1969 and the results of their operationally accepted accounting principles applied on a basis consistent with that of the preceding year.

CLARKSON, GORDON & CO.,

Chartered Accountants.

NABORS DRILLING LIMITED *and its Subsidiary*

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS

Years Ended April 30, 1969 and 1968

REVENUE:

Contract drilling, crude oil sales and miscellaneous income

EXPENSES:

Operating
General and administrative
Depreciation
Depletion
Remuneration of directors, officers and senior employees .

Profit before income taxes
Income taxes

Net profit for the year (1969 - \$2.41 1/2 per share; 1968 - \$.61 per share)

Earned surplus at beginning of year

DEDUCT:

Dividends paid or payable (1969 - 50s per share, 1968 - 35c per share)
Earned surplus at end of year

	1969	1968
	\$ 8,477,712	\$ 4,731,691
	6,309,166	3,839,845
	456,395	195,332
	476,719	329,335
	9,106	9,042
	165,000	118,438
	7,416,386	4,491,992
	1,061,326	239,699
	523,064	103,376
	538,262	136,323
	536,574	478,269
	1,074,836	614,592
	111,454	78,018
	\$ 963,382	\$ 536,574

(See accompanying notes)

NABORS DRILLING LIMITED *and its Subsidiary*

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Years Ended April 30, 1969 and 1968

FUNDS WERE PROVIDED FROM:

Operations —

	<u>1969</u>	<u>1968</u>
Net profit for the year	\$ 538,262	\$ 136,323
Add items not requiring an outlay of cash:		
Depreciation and depletion	485,825	338,377
Deferred taxes	309,000	40,000
Total cash flow from operations	1,333,087	514,700
9% bank loan, less current portion	524,000	
	1,857,087	514,700

FUNDS WERE APPLIED TO:

Purchase fixed assets (net)	2,049,083	242,752
Payment of dividends to shareholders	111,454	78,018
Increase in cash surrender value of life insurance and investment	13,736	9,659
	2,174,273	330,429

Resulting in an increase (decrease) in working capital of	<u>\$ (317,186)</u>	<u>\$ 184,271</u>
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(See accompanying notes)



FIVE YEAR FINANCIAL AND OPERATING REVIEW

FINANCIAL

	1969	1968	1967	1966	1965
Gross income -----	\$ 8,478,000	\$ 4,732,000	\$ 4,260,000	\$ 5,186,000	\$ 4,741,000
Operating income -----	1,712,000	698,000	760,000	978,000	833,000
Net income -----	538,000	136,000	127,000	253,000	127,000
Net income per share -----	2.41½	.61	.57	.81½	.42
Dividends paid -----	111,000	78,000	78,000	109,000	93,000
Dividends per share -----	.50	.35	.35	.35	.30
Capital expenditures -----	2,049,000	243,000	232,000	477,000	381,000
Total assets -----	6,494,000	3,283,000	2,862,000	3,414,000	3,507,000
Fixed assets (after depreciation, etc.) -----	2,977,000	1,414,000	1,510,000	1,738,000	1,848,000
Shareholders' equity -----	1,966,000	1,540,000	1,481,000	1,917,000	1,773,000
Shares issued and outstanding --	223,000	223,000	223,000	310,000	310,000
Number of shareholders -----	556	659	706	771	825

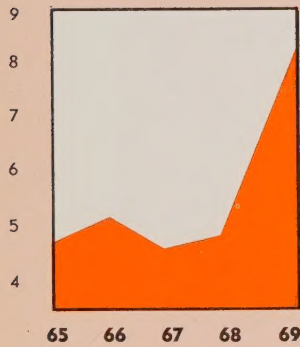
OPERATION

Wells drilled -----	45	45	40	52	57
Footage drilled -----	393,000	328,000	308,000	398,000	434,000
Operating days - rigs -----	2,491	1,992	1,779	2,325	2,510
Share of oil production - barrels --	13,000	13,000	15,000	23,000	24,000

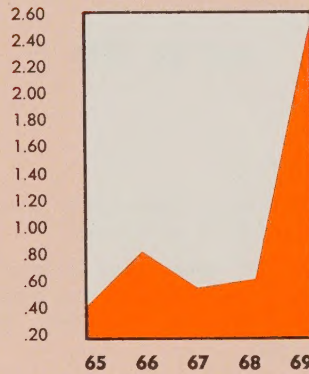


GRAPHICALLY ILLUSTRATED

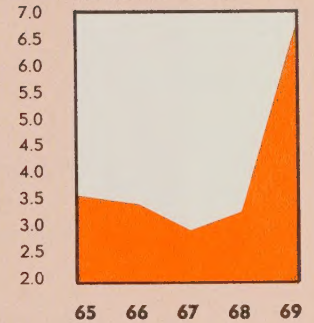
GROSS INCOME
Millions of dollars



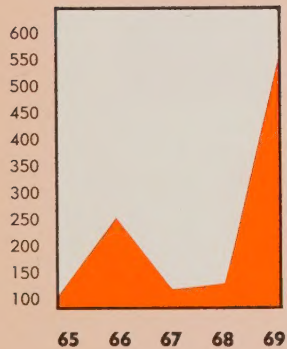
EARNINGS PER SHARE
Dollars



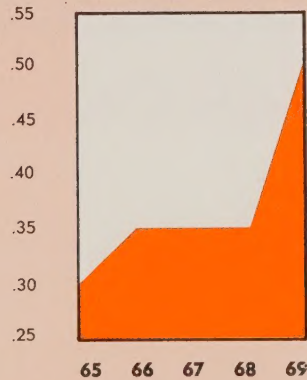
TOTAL ASSETS
Millions of dollars



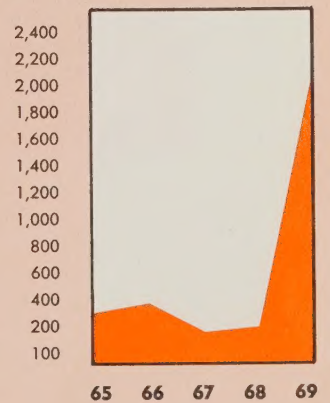
NET INCOME
Thousands of dollars



DIVIDENDS PAID
Dollars



CAPITAL EXPENDITURES
Thousands of dollars



NABORS DRILLING LIMITED

and its Subsidiary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

April 30, 1969

1. Principles of consolidation.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary.

The accounts of the subsidiary, Nabors Alaska Drilling, Inc., which carries out drilling operations in the State of Alaska, have been converted to Canadian dollars on the basis of the exchange rate in effect at the end of the year.

2. Bank loans.

The Company has issued an 8% debenture in the amount of \$1,000,000 which is held by the Royal Bank of Canada as collateral security for the indebtedness, present and future, of the Company to the bank. The debenture is secured by a floating charge on all assets of the Company.

